

**DISCLOSURE OF INFORMATION TO THE SHAREHOLDERS OF
PT GARUDA MAINTENANCE FACILITY AERO ASIA TBK
("Company")**

This information is made and addressed to the Shareholders in compliance with Financial Services Authority Regulation No. 38/POJK.04/2014 dated 29 December 2014 regarding Increase of Capital for Public Companies Without Pre-emptive Rights.



PT GARUDA MAINTENANCE FACILITY AERO ASIA TBK

Main Business Activities:

Engaged in the maintenance, reparation, and overhaul services of aircraft and its supports, trading, industry, warehousing and transportation and other services

Head Office:

Gedung Manajemen PT Garuda Indonesia Lantai 3
Area Perkantoran Bandara Soekarno Hatta
Kelurahan Pajang, Kecamatan Benda, Kota Tangerang
PO. Box 1303, BUSH 19130
Phone: (021) 550 8717
Fax: (021) 559 10461
Email: corporatecommunications@gmf-aeroasia.co.id
corporate.secretary@gmf-aeroasia.co.id

Hangar, Workshop and Line Maintenance Station Location:

Hangars & Workshops: Tangerang
Line Maintenance Stations: Tangerang, Palembang, Pekanbaru, Padang, Banda Aceh, Kuala Namu, Batam, Makassar, Manado, Balikpapan, Pontianak, Banjarmasin, Jayapura, Timika, Biak, Semarang, Solo, Surabaya, Yogyakarta, Denpasar, Lombok Praya, Tanjung Karang, Ambon, Bandung, Jambi, Kendari, Kupang, Malang, Pangkal Pinang, Palangkaraya, Palu, Tarakan, Ternate, Berau, Bengkulu, Tanjung Pandan, Halim Perdana Kusuma, Sorong, Merauke, Jember, Tanjung Pinang, Kuala Lumpur, Singapore and Jeddah

If you experience difficulty in understanding the information as contained herein, or hesitant in making a decision, you should consult with a stock broker, investment manager, legal counsel, public accountant or other professional advisor.
--

The Company's Board of Commissioners and Board of Directors, both individually and jointly, are fully responsible for the completeness and accuracy of the whole information or material facts contained herein and emphasize that the information stated herein is correct and that no unstated material facts can cause the material information herein to be untrue or misleading.

This Disclosure of Information is issued on 26 January 2018

TABLE OF CONTENTS

DEFINITIONS	3
I. GENERAL.....	4
II. INFORMATION REGARDING PLAN TO INCREASE CAPITAL WITHOUT PRE-EMPTIVE RIGHTS.....	7
III. STATEMENT OF THE BOARD OF DIRECTORS AND THE BOARD OF COMMISSIONERS.....	122
IV. EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS	122
V. ADDITIONAL INFORMATION	133

DEFINITIONS

- “Bapepam & LK”** : Capital Markets Supervisory Body and Financial Institution (*Badan Pengawas Pasar Modal* and *Lembaga Keuangan*) as referred to in the Ministry of Finance of the Republic of Indonesia Regulation No. 184/PMK.01/2010 dated 11 October 2010 regarding Organization and Work Procedures of the Ministry of Finance.
- “Indonesia Stock Exchange (IDX)”** : A stock exchange as defined in Article 1 Number 4 of the Capital Markets Law, in this case organized by PT Bursa Efek Indonesia, domiciled in Jakarta, or other exchanges determined later where Shares are registered.
- “Trading Day”** : Day on which the Stock Exchange or a substituting legal body who conducts stock exchange activities according to the prevailing laws and regulations and the provisions of the abovementioned stock exchange, and on which banks conduct clearings.
- “Calendar Day”** : Every day in 1 (one) year according to the Gregorian Calendar without exceptions, including Sundays and national holidays set from time to time by the Government of the Republic of Indonesia and normal work days that due to certain conditions is set by the Government of the Republic of Indonesia as not a normal working day.
- “KSEI”** : Abbreviation for PT Kustodian Sentral Efek Indonesia, domiciled in Jakarta, which is a Securities Depository in accordance with the Capital Markets Law.
- “MOLHR”** : Ministry of Law and Human Rights of the Republic of Indonesia.
- “Financial Services Authority or OJK”** : An independent institution as understood under Law No. 21 of 2011 regarding the Financial Services Authority (“**OJK Law**”), whose duties and authority include the regulation and supervision of financial services activities in the banking, capital markets, insurance, pension funds, financing institutes and other financial institutions sectors. Where since 31 December 2012, the OJK is the institution that replaced and received the rights and obligations to conduct regulatory and supervisory functions from Bapepam and/or Bapepam-LK in accordance with the provisions of Article 55 of the OJK Law.
- “Shareholders”** : Parties that own interests over the Company’s Shares, whether in the form of a clearing account letter or collective escrow account that is stored and administered in the securities account of KSEI, that is listed in the Company’s Shareholders Register that is administered by the Securities Administration Bureau PT Datindo Entrycom.
- “MESOP Programme”** : The Management and Employee Stock Option Plan Program, as stated under Deed of Extraordinary Meeting of Shareholders Minutes No. 82 dated 16 June 2017, drawn before Fathiah Helmi, S.H., Notary in Jakarta. The MESOP Programme consists of at maximum 1.72% of the total issued and paid up capital of the Company after the Initial Public Offering of the Company.
- “Regulation No. I-A”** : IDX Regulation No. I-A regarding the Listing of Shares and Equity Securities Other Than Shares Issued by Listed Companies, Attachments and Decision of the Director of PT Bursa Efek Indonesia No. Kep-0001/BEI/01-2014, dated 20 January 2014.
- “POJK No. 32”** : OJK Regulation No. 32/POJK.04/2014 dated 8 December 2014 regarding Planning and Convening of General Meeting of Shareholders

of Public Companies as amended by OJK Regulation No. 10/POJK.04/2017 dated 14 March 2017.

- “POJK No. 33”** OJK Regulation No. 33/POJK.04/2014 dated 8 December 2014 regarding Board of Directors and Board of Commissioners of Issuer or Public Companies.
- “POJK No. 38”** : OJK Regulation No. 38/POJK.04/2014 dated 29 December 2014 regarding Increase of Capital for Public Companies Without Preemptive Rights.
- “PMTHMETD”** : Increase of Capital for Public Companies Without Pre-emptive Rights (*Penambahan Modal Tanpa Memberikan Hak Memesan Efek Terlebih Dahulu*) as defined in POJK No. 38.
- “EGMS”** : The Company’s Extraordinary General Meeting of Shareholders that will be held on 6 March 2018 in accordance with the provisions of the Company’s Articles of Association, the Companies Law and the Capital Markets Law, as well as their implementing regulations.
- “Shares”** : All shares that have been issued and paid in full in the Company.
- “New Shares”** : Up to 2,337,734,850 (two billion, three hundred thirty seven million, seven hundred thirty four thousand, eight hundred fifty) shares amounting to a maximum of 8.28% (eight point two eight percent) of the company’s total issued share capital of 28,233,511,500 (twenty eight billion, two hundred thirty three million, five hundred eleven thousand, five hundred) that will be newly issued from the Company’s unissued authorized capital with a nominal value of Rp 100 per share.
- “Capital Markets Law”** : Law No. 8 of 1995 dated 10 November 1995 regarding Capital Markets, the Republic of Indonesia Circular No. 64 of 1995, Supplement No. 3608, and its implementing regulations.
- “Companies Law”** : Law No. 40 of 2007 dated 16 August 2007 regarding Limited Liability Companies, the Republic of Indonesia Circular No. 106 of 2007, Supplement No. 4746.

I. GENERAL

The Company is a limited liability company incorporated under and is subject to the laws of the Republic of Indonesia, based on Deed of Establishment No. 93 dated 26 April 2002, drawn before Arry Supratno, S.H., Notary in Jakarta, which has been ratified by Minister of Justice and Human Rights of the Republic of Indonesia (hereinafter referred to as “**MOLHR**”) pursuant to the Decree No. C-11685.HT.01.01.TH.2002 dated 28 June 2002, and has been registered in the Company Register at the Company Registry Office of Tangerang Regency/City No. 0455/BH.30.06/VIII/2002 dated 2 August 2002, and has been announced in the State Gazette of the Republic of Indonesia No. 78 dated 27 September 2002, Supplement No. 11677.

The Company is domiciled in Gedung Manajemen PT Garuda Indonesia Lantai 3, Area Perkantoran Bandara Soekarno Hatta, Kelurahan Pajang, Kecamatan Benda, Kota Tangerang, Telephone No. (021) 550 8717 and Fax. No.: (021) 559 10461.

The Company’s Articles of Association has been amended several times, most recently based on Deed of Minutes of the Extraordinary General Meeting of Shareholders No. 82 dated 16 June 2017, drawn before Fathiah Helmi, S.H., Notary in Jakarta, which has been approved by the MOLHR pursuant to

the Decree No. AHU-0013178-AH.01.02.Tahun2017 dated 19 June 2017 and registered in the Company Register at Ministry of Law and Human Rights of the Republic of Indonesia (“**Ministry of Law and Human Rights**”) under No. AHU-0078426.AH.01.11.Tahun 2017 dated 19 June 2017, and has been notified to MOLHR based on Letter No. AHU-AH.01.03.0147338 dated 19 June 2017 and registered in the Company Register at Ministry of Law and Human Rights under No. AHU-0078426.AH.01.11.Tahun 2017 dated 19 June 2017 (“**Deed No. 82/2017**”) *juncto* Deed of Statement of Extra Ordinary Shareholders Meeting’s Resolutions No. 74 dated 27 November 2017, drawn before Fathiah Helmi, S.H., Notary in Jakarta, which has been notified to MOLHR based on Letter No. AHU-AH.01.03-0195507 dated 28 November 2017 and has been registered in the Company Register at Ministry of Law and Human Rights under No. AHU-0151284.AH.01.11.Tahun 2017 dated 28 November 2017 (“**Deed No. 74/2017**”). Based on Deed No. 82/2017, the Company’s Shareholders have approved the amendment and restatement of all provisions in the Company’s Articles of Association, particularly regarding to the adjustment with POJK No. 32 and POJK No. 33 (“**Articles of Association**”). Based on Deed No. 74/2017, the Company’s Shareholders have approved the amendment of Article 4 paragraph (2) and (3) of the Articles of Association with regards to the increase of the issued and paid-up capital of the Company.

Pursuant to Article 3 of the Articles of Association, the purpose and objectives of the Company is to conduct business in the maintenance, reparation, and overhaul services of aircrafts and its supports trading, industry, warehousing and transportation and other services, with high standards of quality and on a timely basis and competitive price for its customers’ aircrafts and to engage in other related business sectors, and for the purpose of actualization of the professionalism of human resources in the aircraft maintenance business, and to generate profit by implementing the principles of a limited liability company and the Capital Market regulations.

To achieve the aims the objectives referred to above, the Company may carry out the following business activities:

Main business activities:

1. to engage in the aircraft maintenance, repairs and overhaul services, and support services, particularly:
 - a. integrated aircraft maintenance;
 - b. component maintenance and calibration;
 - c. engine maintenance;
 - d. engineering services; and
 - e. aircraft maintenance training services;
2. to engage in the trading sector, particularly trade of aircraft spare parts and/or maintenance components, and to become a distributor;
3. to engage in the industrial sector, including the manufacturing and maintenance of supporting facilities to support the aviation activities and other industrial activities;
4. to engage in the warehousing and transportation sectors, particularly in connection with material handling, logistic, warehousing and consignment services; and
5. to engage in services sector, particularly service to lease aircraft spare parts, components and/or engine, and to engage in the industrial machineries maintenance service business.

Supporting business activities:

1. to provide consulting services and experts in aircraft maintenance, components and engine sectors; and

2. to provide external trainings of the activities referred to in point 1 (e) of the Company's main business activities.

a. Company's Capital and Shareholding Structure

Based on the Company's Shareholder Register arranged by the Securities Administration Bureau PT Datindo Entrycom, the Company's shareholding structure as of 31 December 2017 is as follows:

Information	Par Value Rp 100 per Share		(%)
	Number of Shares	Nominal Value (Rp)	
Authorized Capital	100,000,000,000	10,000,000,000,000	
Issued and Paid Up Capital			
PT Garuda Indonesia (Persero) Tbk	25,156,058,796	2,515,605,879,600	89.10
PT Aero Wisata	254,101,604	25,410,160,400	0.90
Public	2,823,351,100	282,335,110,000	10.00
Total Issued and Paid Up Capital	28,233,511,500	2,823,351,150,000	100.00
Portfolio Shares	71,766,488,500	7,176,648,850,000	

b. Structure of the Company's Board of Commissioners and the Board of Directors

Deed of Shareholder Resolutions No. 22 dated 6 May 2015, drawn before Arry Supratno, S.H., Notary in Jakarta, which has been notified to MOLHR based on Letter No. AHU-AH.01.03-0930667 dated 8 May 2015 and has been registered in the Company Register at Ministry of Law and Human Rights under No. AHU-3502744.AH.01.11.Tahun 2015 dated 8 May 2015 ("**Deed No. 22/2015**") *juncto* Deed of Shareholder Resolutions No. 229 dated 29 June 2016, drawn before Arry Supratno, S.H., Notary in Jakarta, which has been notified to MOLHR based on Letter No. AHU-AH.01.03-0063624 dated 1 July 2016 and has been registered in the Company Register at Ministry of Law and Human Rights under No. AHU-0082410.AH.01.11.Tahun 2016 dated 1 July 2016 ("**Deed No. 229/2016**") *juncto* Deed of Shareholder Resolutions No. 8 dated 1 July 2016, drawn before Arry Supratno, S.H., Notary in Jakarta, which has been notified to MOLHR based on Letter No. AHU-AH.01.03-0065002 dated 18 July 2016 and has been registered in the Company Register at Ministry of Law and Human Rights under No. AHU-0084463.AH.01.11.Tahun 2016 dated 18 July 2016 ("**Deed No. 8/2016**") *juncto* Deed of Shareholder Resolutions No. 41 dated 16 May 2017, drawn before Arry Supratno, S.H., Notary in Jakarta, which has been notified to MOLHR based on Letter No. AHUAH. 01.03-0137093 dated 17 May 2017 and has been registered in the Company Register at Ministry of Law and Human Rights under No. AHU-0063461.AH.01.11.TAHUN 2017 dated 17 May 2017 ("**Deed No. 41/2017**") *juncto* Deed of Shareholder Resolutions No. 86 dated 26 May 2017, drawn before Arry Supratno, S.H., Notary in Jakarta, which has been notified to MOLHR based on Letter No. AHU-AH.01.03-0140277 dated 29 May 2017 and has been registered in the Company Register at Ministry of Law and Human Rights under No. AHU-0068399.AH.01.11.TAHUN 2017 dated 29 May 2017 ("**Deed No. 86/2017**") *juncto* Deed of Shareholder Circular Resolutions No. 56 dated 30 August 2017, drawn before Fathiah Helmi, S.H., Notary in Jakarta, which has been notified to MOLHR based on Letter No. AHU-AH.01.03-0167306 dated 30 August 2017 and has been registered in the Company Register at Ministry of Law and Human Rights under No. AHU-0108046.AH.01.11.Tahun 2017 dated 30 August 2017 ("**Deed No. 56/2017**") *juncto* Deed of Shareholder Circular Resolutions No. 69 dated 26 September 2017, drawn before Fathiah Helmi, S.H., Notary in Jakarta, which has been notified to MOLHR based on Letter No. AHU-AH.01.03-0174792 dated 26 September 2017 and has been registered in the Company Register at Ministry of Law and Human Rights under No. AHU-

0119740.AH.01.11.TAHUN 2017 dated 26 September 2017 (“**Deed No. 69/2017**”), the structures of the Company’s Board of Commissioners and Board of Directors on the date of this Disclosure of Information are as follows:

Board of Commissioners

President Commissioner	: Helmi Imam Satriyono
Commissioner	: Puji Nur Handayani
Independent Commissioner	: Hari Muhammad

Board of Directors

President Director	: Iwan Joeniarto
Director of Finance	: Insan Nur Cahyo
Director of Line Operation/Independent Director	: Tazar Marta Kurniawan
Director of Base Operations	: Rahmat Hanafi

II. INFORMATION REGARDING THE PLAN TO INCREASE CAPITAL WITHOUT PRE-EMPTIVE RIGHTS

Purpose and Objective of the PMTHMETD

In respect of the line of business of the Company, the management of the Company views that the Company needs to strengthen its capital structure. In light of this, the Company anticipates to issue the New Shares through the implementation PMTHMETD based on the Shareholders’ approval in the EGMS. Through the PMTHMETD, the Company is expected to obtain an alternative source of funding for the benefit of the Company.

In addition to an alternative source of funding, the Company expects that the investors who will take part in the New Shares is a strategic investor with the following criteria:

- (i) has the capital strength;
- (ii) has the capacity and capability to share and conduct a transfer of knowledge in the field of Maintenance, Repair and Overhaul (MRO);
- (iii) open up a new market for the Company; and
- (iv) giving positive leverage for the Company’s brand.

Thus, it is expected that the inclusion of the strategic investors can assist the Company in developing its business activities, thereby increasing the value of the Company, which in turn can provide benefits for all shareholders of the Company.

The New Shares and the Price of the New Shares

In accordance with POJK No. 38, PMTHMETD shall only be carried out by the Company upon the obtaining approval from the shareholders via the general meeting of shareholders or the EGMS. The EGMS of the Company will be held with due observance of certain procedures as regulated under POJK No. 32. The PMTHMETD shall be completed within 2 years as of the date of EGMS approving the PMTHMETD. Further, the Company may only increase a maximum of 10% of the total issued and paid-up capital of the Company as at the date hereof. Subject to POJK No. 38 and the MESOP Programme, the exercise of the PMTHMETD can only increase 10% at most from the total issued and paid-up capital of the Company subtracted with the capital increase of the Company to conduct its MESOP Programme, that has yet to be fulfilled by the Company.

The amount of shares to be issued under the MESOP Programme is at most 485,616,300 (four hundred eighty five million, six hundred sixteen thousand, three hundred) shares, therefore the New Shares that will be issued in the PMTHMETD is at most 2,337,734,850 (two billion, three hundred thirty seven million, seven hundred thirty four thousand, eight hundred fifty).

The price of the New Shares issued in the PMTHMETD will be determined in accordance with Regulation No. I-A. The price of the Company's New Shares is at least the same as the average closing price of the Company's shares in 25 (twenty-five) consecutive Trading Dates in the regular market before the date hereof. Accordingly, the PMTHMETD price will be at least Rp 336 (three hundred thirty six Rupiah) per share, namely following the average closing price for traded shares from 19 December 2017 to 25 January 2018. Based on trading price in the IDX, then the implementation price of the transaction is to be at least Rp 336 (three hundred thirty six Rupiah).

The following is the closing price data of the Company's shares traded at the IDX from 19 December 2017 to 25 January 2018:

No.	TRADING DATE	CLOSING DATE (IDR)
1.	19 December 2017	336
2.	20 December 2017	324
3.	21 December 2017	314
4.	22 December 2017	310
5.	27 December 2017	322
6.	28 December 2017	322
7.	29 December 2017	318
8.	2 January 2018	320
9.	3 January 2018	322
10.	4 January 2018	324
11.	5 January 2018	336
12.	8 January 2018	336
13.	9 January 2018	336
14.	10 January 2018	340
15.	11 January 2018	342
16.	12 January 2018	338
17.	15 January 2018	336
18.	16 January 2018	334
19.	17 January 2018	336
20.	18 January 2018	342
21.	19 January 2018	348
22.	22 January 2018	350
23.	23 January 2018	382
24.	24 January 2018	374
25.	25 January 2018	362
Average		336

The Capital and Shareholding Structure Before and After the Completion of the PMTHMETD

In connection with the PMTHMETD, the Company can issue up to a maximum of 2,337,734,850 (two billion three hundred thirty seven million, seven hundred thirty four thousand, eight hundred fifty) new shares or representing 8.28% (eight point two eight percent) of the total issued and paid-up capital of the Company as at the date hereof. Such new shares will be issued from the Company's unissued authorized capital with a nominal value of Rp 100 per share.

The capital structure of the Company before PMTHMETD and capital structure proforma of the Company after PMTHMETD is as follows:

	Before PMTHMETD			After PMTHMETD		
	Share Amount	Share Value Amount (Rp)	%	Share Amount	Share Value Amount (Rp)	%
Authorized Capital	100,000,000,000	10,000,000,000,000		100,000,000,000	10,000,000,000,000	
Issued and Fully-Paid Shares	28,233,511,500	2,823,351,150,000		30,571,246,323	3,057,124,632,300	
PT Garuda Indonesia (Persero) Tbk	25,156,058,769	2,515,605,876,900	89.10	25,156,058,769	2,515,605,876,900	82.29
PT Aero Wisata	254,101,604	25,410,164,400	0.90	254,101,604	25,410,164,400	0.83
Public	2,823,351,100	282,335,110,000	10	2,823,351,100	282,335,110,000	9.24
Potential Investor	-	-	-	2,337,734,850	233,773,485,000	7.65
Total Unissued Shares	71,766,488,500	7,76,648,850,000		69,428,753,677	6,942,875,363,700	

With the assumption that all the shares have been issued in the PMTHMETD, therefore the shareholders of the Company will be diluted to a maximum of 7.65% (seven point sixty five percent) from its ownership prior to the PMTHMETD exercise.

The Capital and Shareholding Structure After the Completion of the PMTHMETD along with Before and After the MESOP Programme Exercise

In relations with the PMTHMETD and the MESOP Programme, the capital structure of the Company after PMTHMETD along with before and after the MESOP Programme is as follows:

	After PMTHMETD and Before MESOP Programme			After PMTHMETD and After MESOP Programme		
	Share Amount	Share Value Amount (Rp)	%	Share Amount	Share Value Amount (Rp)	%
Authorized Capital	100,000,000,000	10,000,000,000,000		100,000,000,000	10,000,000,000,000	
Issued and Fully-Paid Shares	30,571,246,323	3,057,124,632,300		31,056,862,650	3,105,686,265,000	
PT Garuda Indonesia (Persero) Tbk	25,156,058,769	2,515,605,876,900	82.29	25,156,058,769	2,515,605,876,900	81.00
PT Aero Wisata	254,101,604	25,410,164,400	0.83	254,101,604	25,410,164,400	0.82
Public	2,823,351,100	282,335,110,000	9.24	2,823,351,100	282,335,110,000	9.09
Potential Investor	2,337,734,850	233,773,485,000	7.65	2,337,734,850	233,773,485,000	7.53
Program MESOP	-	-	-	485,616,300	48,561,630,000	1.56
Total Unissued Shares	69,428,753,677	6,942,875,363,700		68,943,137,350	6,894,313,735,000	

With the assumption that all the shares have been issued in the PMTHMETD and all shares in the MESOP Programme has been subscribed, therefore the shareholders of the Company will be diluted to a maximum of 9.09% (nine point zero nine percent) from its ownership prior to the PMTHMETD and the MESOP Programme exercise.

Indicative Timeline of PMTHMETD

The selective forecasted key dates in the PMTHMETD are as follows:

- | | | |
|----|--|------------------|
| 1. | Notification of the Plan to Convene an EGMS to the OJK | 19 January 2018 |
| 2. | Announcement of the Notice of the Plan to Convene the EGMS on Bisnis Indonesia newspaper, the IDX's website and the Company's website in accordance with POJK No. 32 | 26 January 2018 |
| 3. | Disclosure of Information to the Shareholders regarding PMTHMETD on the IDX's website and the Company's website in accordance with POJK No. 38 | 28 January 2018 |
| 4. | The latest day for the shareholder(s) who represents more than 1/20 of the total Shares with valid voting rights to submit the proposal on EGMS agenda | 5 February 2018 |
| 5. | The Issuance of the List of Shareholders Entitled to Attend the EGMS (Recording Date) | 9 February 2018 |
| 6. | Advertisement of the Invitation to the EGMS on the newspaper, IDX's website and the Company's website | 12 February 2018 |
| 7. | Latest date for the announcement of additional information of Capital Increase Without Pre-emptive Rights on the IDX's website and the Company's website in accordance with POJK No. 38 (if any) | 2 March 2018 |
| 8. | Holding of the EGMS | 6 March 2018 |

Furthermore, in line with POJK No. 38, the implementation of the issuance of the New Shares through the PMTHMETD shall be completed within 2 (two) years as of the date of EGMS approving the PMTHMETD.

The Company's benefit of having New Shares Issuance through PMTHMETD

In accordance with the background of the PMTHMETD, the management of the Company views that the PMTHMETD will generate the following benefits to the Company:

1. The Company will obtain additional funds to strengthen the capital structure, which at the end will support the business of the Company; and
2. The Company's equity will increase parallel with the additional paid-up capital by the potential investor who gives the best offer. The cash position of the Company will be used to fund the Company's business activities.

Requirements for the New Shares Issuance through PMTHMETD

The key requirements for the PMTHMETD are the following:

1. The Company has to obtain the approval of the EGMS, which will be held with reference to POJK No. 38;
2. The Company has to obtain the additional share listing approval from IDX;
3. At the latest, 5 (five) business days before the PMTHMETD, the Company is obliged to notify the OJK and announce to the public through 1 (one) daily, nationally circulated Indonesian language newspaper or on the IDX website and the Company's website, regarding the

transaction of the PMTHMETD. Proof of such announcement must be delivered to the OJK at the latest 2 (two) business days after the announcement takes place;

4. At the latest, 2 (two) business days after the PMTHMETD, the Company is required to notify the OJK and the public through 1 (one) daily, nationally circulated Indonesian language newspaper or on the IDX website and the Company's website, regarding the execution of the capital increase that will include information on, among other things, the parties making the subscription, the amount and price of issued shares, and the plan for the use of the proceeds;
5. Based on the provision of point V.1.4 of Regulation No. I-A, a lock-up period will be imposed on the New Shares to be issued by the Company via PMHMETD, hence, the New Shares will not be able to be sold or traded within 1 year as of the listing date of the New Shares at the IDX.

Use of Proceeds of the PMTHMETD

The Company will apply proceeds of the new shares issuance through the PMTHMETD for:

- a. At least 60% (sixty percent) will be used to fund investments of the Company in order to increase its capabilities and capacity in its Line Maintenance and Repair and Overhaul, in the form of purchasing fixed assets, amongst others, tools, equipment, components, machineries, and facilities and infrastructure.
- b. At least 40% (forty percent) will be used for working capital that is aimed to support the Company's operational activities such as payment towards the amounts owed to the vendor, tax payments, and payment of other short-term debts.

Management's Analysis and Discussion on the Company's Financial Condition before and after the Increase in Capital without Preemptive Rights

The Company's consolidated financial proforma as described below is prepared by the Company's management based on Financial Statement (Unaudited) on 31st of December 2017, with the following assumptions:

- The minimum price of the Company's New Shares is Rp 336/share
- The total amount of the Company's New Shares is 2,337,734,850

Information of the Company's financial proforma before (based on the Financial Statement (Unaudited) on 31st of December 2017 and after the exercise of PMTHMETD is as follows:

Remarks (in USD)*	Proforma Based on Financial Statement (Unaudited) on 31th of December 2017		
	Before PMTHMETD	After PMTHMETD and before MESOP Programme	After PMTHMETD and after MESOP Programme
Cash and Bank	84,159,614	142,343,237	154,429,687
Total Aseets	536,233,944	594,417,567	606,504,017
Total Liabilities	232,383,244	232,383,244	232,383,244
Total Equity	303,850,700	362,034,323	374,120,773

Catatan:

* calculated based on USD 1 = Rp 13,500,-

Information Regarding the Potential Investor

The Company is currently searching for strategic investors to purchase the New Shares issued by the Company through PTMHMETD, including financial investors and industrial player who has a capital strength and a capacity and capability in the Maintenance, Repair and Overhaul (MRO) field. The investor is an unaffiliated party of the Company.

III. STATEMENT OF THE BOARD OF DIRECTORS AND THE BOARD OF COMMISSIONERS

The information described in this Disclosure have been approved by the Board of Commissioners and Board of Directors, who are responsible for the validity of the information. The Board of Commissioners and Board of Directors declare that all material information and opinions expressed in this Information Disclosure is true and can be accounted for and there is no other information that has not been disclosed that can cause the information to be incorrect or misleading. The Board of Commissioners and Directors of the Company have reviewed the PMTHMETD, including assessing the risks and benefits of the plan for the Company and all shareholders, and accordingly believe that the PMTHMETD is the best option for the Company and all shareholders. Therefore, based on the trust and confidence that the PMTHMETD is indeed the best option to achieve the benefits mentioned above, the Board of Directors and Board of Commissioners of the Company hereby recommend to the shareholders to approve the PMTHMETD as described in this Information Disclosure.

IV. EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

In accordance with the provisions of the prevailing laws and regulations, the PMHMETD must be approved by the Shareholders of the Company through the EGMS, which will be held on:

- Day and Date : Tuesday, 6 March 2018
Time : 10.00 -12.00 Western Indonesian Time
Place : Engine Test Cell Building, PT GMF AeroAsia Tbk Office Complex, Soekarno-Hatta International Airport, Tangerang
- Agenda : 1. Approval on the Proposed Capital Increase Without Pre-emptive Rights in a maximum amount of 8.28% (eight point twenty eight percent) of the Company's total issued and paid-up capital in accordance with POJK No. 38.
2. Granting power of attorney and authority to the Company's Board of Commissioners with the substitution rights to state the realized number of shares issued with respect to the Capital Increase Without Pre-emptive Rights in a separate Notarial Deed and approve and grant the power to the Company's Board of Directors with the substitution rights to undertake all the necessary course of actions with respect to the Capital Increase Without Pre-emptive Rights.
3. Amendment of the Articles Association of the Company.
4. Change of the board of directors of the Company.

The shareholders who are entitled to attend the EGMS are shareholders whose names are listed in the Company's Shareholders Register at the closing of the Company's shares trading on 9 February 2018.

One or more Shareholders who are representing more than 1/20 of the total Shares with valid voting rights may have a right to propose the EGMS agenda in writing to the Directors of the Company. Such proposal must be submitted to the Directors of the Company at the latest 7 Calendar Days before the announcement of EGMS invitation.

The EGMS must be attended by Shareholders representing more than 1/2 of the total Shares with valid voting rights, and the resolution can only be adopted if approved by the shareholders representing more than 1/2 votes validly casted at the EGMS.

V. ADDITIONAL INFORMATION

For additional information regarding the above matter, please contact the Company during working hours at this address:

Head Office:

Gedung Manajemen PT Garuda Indonesia Lantai 3
Area Perkantoran Bandara Soekarno Hatta
Kelurahan Pajang, Kecamatan Benda, Kota Tangerang
PO. Box 1303, BUSH 19130
Phone: (021) 550 8717
Fax: (021) 559 10461
Email: corporatecommunications@gmf-aeroasia.co.id
corporate.secretary@gmf-aeroasia.co.id